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March 2, 2009

The Honorable Steven Chu
Secretary, U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Re: State Energy Program Assurances

Dear Secretary Chu:

As a condition of receiving our State's share of the \$3.1 billion funding for the State Energy Program (SEP) under Section 410 of the American Recovery and Renewal Act of 2009 (H.R. 1) (ARRA), I am providing the following assurances:

(1) Massachusetts is fully compliant with the requirements of ARRA section 410(a) (1), as we have adopted utility rate decoupling pursuant to an Order issued by the Department of Public Utilities (DPU) on July 16, 2008, in docket 07-50, *Investigation by the Department of Public Utilities on its own Motion into Rate Structures that will Promote Efficient Deployment of Demand Resources*. Decoupling will be fully implemented when individual utility companies file rate plans to be reviewed and approved by the DPU, which will occur over the next several years.

(2) Massachusetts is fully compliant with the requirements of ARRA section 410(a) (2)(A), as we have adopted the International Energy Conservation Code (IECC) for residential buildings and our codes are automatically updated with IECC updates pursuant to Section 55 of the Green Communities Act, Chapter 169 of the Acts of 2008, as codified in M.G.L. c. 143, § 94. In addition, Massachusetts is compliant with section

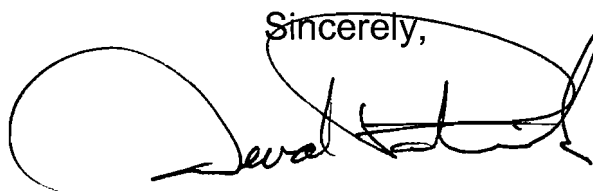
410(a)(2)(B), which requires the adoption of a building code for commercial buildings that meets or exceeds ANSI/ASHRAE/IESNA 90.1-2007.

Massachusetts adopted that standard in 2008. Finally, Massachusetts will meet the 8 year timeline for compliance with these energy efficient building standards as required by section 410(a)(2)(C), because the IECC code and ANSI/ASHRAE/IESNA standards are now in effect for residential and commercial buildings.

(3) Massachusetts will prioritize the grants toward funding energy efficiency and renewable energy programs, including by prioritizing our energy investments to take advantage of existing efficiency programs and expand efficiency programs where appropriate. Massachusetts is committed to continued improvements in energy efficiency and renewable energy, as well as a balanced State energy policy. I want to assure you that, within the limits of my authority, we will move forward in these critical areas.

We look forward to immediate distribution of the Federal SEP funds to permit the continued progress of Massachusetts in energy efficiency and renewable energy.

Sincerely,

A handwritten signature in black ink, appearing to read "Deval Patrick", is written over the word "Sincerely,". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

cc: Commissioner Phil Giudice, MA DOER
Director Gil Sperling, Office of Weatherization & Intergovernmental
Programs, U.S. Department of Energy
David Terry, National Association of State Energy Officials